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Viewing cable 06SANJOSE158, PRESIDENTIAL CANDIDATE RICARDO TOLEDO SWIMMING

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Reference ID	Created	Released	Classification	Origin
06SANJOSE158	2006-01-24 14:21	2011-08-30 01:44	CONFIDENTIAL	Embassy San Jose

Appears in these articles:

<http://www.nacion.com/2011-03-17/Investigacion/NotasSecundarias/Investigacion2712620.aspx>
<http://www.nacion.com/2011-03-17/Investigacion/NotasSecundarias/Investigacion2712631.aspx>
<http://www.nacion.com/2011-03-17/Investigacion/NotasSecundarias/Investigacion2712622.aspx>
<http://www.nacion.com/2011-03-17/Investigacion/NotasSecundarias/Investigacion2712633.aspx>

This record is a partial extract of the original cable. The full text of the original cable is not available.

C O N F I D E N T I A L SECTION 01 OF 02 SAN JOSE 000158

SIPDIS

SIPDIS

E.O. 12958: DECL: 01/17/2016

TAGS: [PGOV](#) [PINR](#) [PREL](#) [ECON](#) [CS](#)

SUBJECT: PRESIDENTIAL CANDIDATE RICARDO TOLEDO SWIMMING
AGAINST THE CURRENT, AND SINKING

Classified By: Ambassador Mark Langdale for reasons 1.4 (b) and (d)

Summary

1. (C) In a meeting with Ambassador on January 9, President Pacheco's confidant and former chief of staff Ricardo Toledo tried to put the best light possible on his foundering presidential campaign--a difficult task considering he has not broken 5 percent in the polls and now appears to have slipped from fifth to sixth place in a field of 14 candidates. His Social Christian Unity Party (PUSC) is hampered with two former presidents being investigated for corruption and a third (Pacheco himself) who is widely seen as a failure. Toledo believes he is being "punished (by the voters) by association." Toledo made it clear that we have not seen the last of him and that several Costa Rican presidents were elected only on their second or even third try. End summary.

What Toledo Stands For

2. (C) On January 9, Ambassador paid a courtesy call on Ricardo Toledo, presidential candidate for the ruling Social Christian Unity Party (PUSC). For the election Toledo is trying to position himself as a centrist. He told Ambassador that frontrunner Oscar Arias and Libertarian candidate Otto Guevara both represented the economically powerful who would like to privatize electricity, telecommunications, insurance, and even social security. On the other side is leftist candidate Otton Solis "who resembles Hugo Chavez and Evo

Morales." Toledo said: "My position is in the middle, where things are discussed to arrive at agreements, without imposition or being imperial." (Note: In practical terms, this means nominal support for CAFTA-DR in the style of President Pacheco.)

13. (C) Toledo is a traditional politician who sees his role primarily as doling out government benefits to the people. His main criticism of Pacheco is that Pacheco listened too much to his four consecutive cost-cutting finance ministers, the first three of whom quit in disgust because they believed he did not listen enough. Toledo has proposed to increase spending dramatically on education, provide subsidies for first-time home-buyers, and give a computer to every high-school graduate, a program for which he was roundly ridiculed in the press. When asked where he will get the money he mentioned consolidating ministries and cutting the Foreign Trade Ministry, which is responsible for implementing CAFTA-DR. He worries that the Costa Rican Electricity Institute (ICE), which will lose its monopoly status in telecommunications under CAFTA-DR, will be swallowed up by foreign private investors like Carlos Slim of Mexico. Toledo distrusts public concessions to private companies. He opposes an existing concession to a Spanish company for vehicle inspection, is lukewarm toward the airport concession to an American company, and supported the cancellation of a concession to an American company to build a prison.

Election Campaign

14. (C) Until this election, being the PUSC nominee meant having at least an even chance of being elected (three out of the four most recent presidents, including the current one, are from PUSC). That changed in 2006, and perhaps permanently, because two of those former presidents have been under investigation since late 2004 for corruption (with a lot of damning evidence made public) and the third, President Pacheco, is seen as incompetent and ineffective. Toledo cannot, as much as he might try, distance himself from Pacheco. He was for a time Pacheco's Minister of the Presidency (Chief of Staff) and most trusted confidant. Further, he was behind many of Pacheco's worst decisions, e.g., caving to public sector unions, opposing "neoliberal" policies of consecutive finance ministers, wavering on free trade. The voters are making Toledo pay; polls show that he is below 5 percent and has sunk from fifth to sixth place in a field of 14 candidates.

15. (C) Toledo complained that he is being "punished (by the voters) by association" with Pacheco and that voters are not aware of the many accomplishments (which he did not enumerate) of the Pacheco administration. Though Toledo seemed resigned to ultimate defeat, he put the best possible light on his campaign and his personal popularity. He told Ambassador that he had had successful political rallies in Limon province and that 3,000 people greeted him in the Talamanca indigenous district. He cautioned against trusting the polls "because they are done by phone, and our strength is with the poor who are phoneless." Toledo said that he believes he can win 20 percent of the vote, forcing a runoff with frontrunner Oscar Arias.

Future of PUSC

16. (C) Toledo claimed that despite scandals and the negative perception some have of the Pacheco administration, PUSC continues to be a strong party at the grassroots level. He pointed out that 51 of Costa Rica's 81 mayors are from PUSC compared to 26 from Arias's National Liberation Party (PLN). (Four mayors are from neither.) He said that PUSC was especially strong among the poor and in the poorest provinces--Limon, Guanacaste, and Puntarenas--because the party is a natural descendant of Costa Rica's great social reformer, Rafael Angel Calderon Guardia, creator of Social Security and a progressive labor code. Fifty years ago, Toledo said, the PLN adopted and even expanded on many of Calderon Guardia's reforms but under Arias has turned its back on the poor. Arias has therefore been able to attract fat-cat campaign contributions, according to Toledo, even from those who formerly supported PUSC. Toledo predicted that the number of PUSC municipal officials and deputies (members of the Legislative Assembly) would decline after the election, but not dramatically.

Future of Toledo

17. (C) Toledo confided to Ambassador that he already has a job lined up to begin February 15, ten days after the election. He will be the general manager of a company that provides courier services. As former head of the Costa Rican postal system, Toledo has experience in that area. He is also trained as a lawyer and agronomist, and he once operated a donut franchise in Miami. Toledo said he will return to politics as a presidential candidate, noting that former presidents Daniel Obuder and Miguel Angel Rodriguez each lost an election and Rafael Angel Calderon Fournier, son of

Calderon Guardia, lost twice before being elected president.

Comment

18. (C) Toledo engaged in a lot of wishful thinking. Although he did manage to get the PUSC presidential nomination, it was mainly due to the lack of serious competition. The party banner, because of scandal and fecklessness, is badly tattered, and there were few volunteers to do what Toledo is willing to do--go down in flames. Moreover, the party is divided, and Toledo represents a minority wing. Rafael Angel Calderon Fournier, who was forced to resign as party president after his 2004 arrest for corruption, is still pulling the party strings. The PUSC list for deputies, for example, was put together by Calderon, not Toledo. The deputies are not campaigning together with the presidential candidate (Toledo), as is customary, but separately from him. We know anecdotally that many PUSC loyalists plan to vote for the PUSC party list for the Legislative Assembly but for a non-PUSC presidential candidate like Oscar Arias, Otto Guevara, or even Otton Solis. Toledo's dream of a second chance, even though he is only 47 years old, is no sure thing.

LANGDALE